

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1999-192-C - ORDER NO. 1999-577
AUGUST 17, 1999

IN RE: Application of Network Plus, Inc. to Amend its) ORDER GRANTING
Certificate of Public Convenience and) AUTHORITY TO
Necessity to Include Authority to Provide) PROVIDE LOCAL
Facilities-Based and Resold Local Exchange) SERVICES
Telecommunications Services and Facilities-)
Based Interexchange Telecommunications)
Services in South Carolina.)

✓ MR

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Network Plus, Inc. ("Network Plus" or the "Company") requesting to amend its Certificate of Public Convenience and Necessity to include authority to provide facilities-based and resold local exchange telecommunications services and facilities-based interexchange telecommunications services within the State of South Carolina. The Application was filed pursuant to S.C. Code Ann. § 58-9-280 and the Regulations of the Commission.

By letter, the Commission's Executive Director instructed the Company to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Network Plus complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was received from the South Carolina Telephone Coalition (“SCTC”). On June 29, 1999, Counsel for SCTC filed with the Commission a Stipulation in which Network Plus stipulated that it would seek authority only in non-rural local exchange (“LEC”) service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent’s service area, unless and until the Company provided written notice of its intent prior to the date of the intended service. Network Plus also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Network Plus agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on August 5, 1999, at 10:30 a.m., in the Commission’s Hearing Room. The Honorable Philip T. Bradley, Chairman, presided. Network Plus was represented by Faye A. Flowers, Esquire. Florence P. Belser, Staff Counsel, represented the Commission Staff.

Lisa Korner, Director of New Market Development for Network Plus, appeared and testified in support of the Company’s application. The record reveals that Network Plus is a Massachusetts corporation and is a wholly-owned subsidiary of Network Plus Corp., a Delaware corporation. Network Plus is authorized pursuant to Commission

Order No. 93-1 (dated January 4, 1993), Docket No. 92-341-C to provide resold intrastate telecommunications services in South Carolina. According to Ms. Korner, Network Plus has operated in South Carolina as a long distance reseller and is authorized in 48 states to provide interexchange services and authorized in 12 states to provide local services. Ms. Korner stated that Network Plus will ultimately offer customers the convenience of one-stop shopping for their local, long-distance, and high speed data services needs. Among the services which Network Plus proposes to provide are basic local exchange services, customer calling and class features, exchange access services, ancillary services, calling cards, private line service and high speed data services (DSL) for Internet access.

Ms. Korner described the managerial, technical, and financial resources of Network Plus. According to Ms. Korner, Network Plus will rely on the substantial financial resources of its parent company, Network Plus Corp., to provide initial capital investment and to fund operating losses during the start-up phase. Regarding the ability to raise necessary capital, Ms. Korner offered by way of example that the parent company of Network Plus raised over \$130 million through an Initial Public Offering (IPO) approximately one month prior to the hearing on this matter. With regard to the managerial qualifications of the Company, Ms. Korner offered that the management team of Network Plus has extensive experience in the telecommunications industry and that each member of the management team will draw upon his or her own experiences, as well as the collective experiences of the entire management team, to ensure that Network Plus is managed and operated efficiently and profitably. With regard to technical qualifications, Ms. Korner offered that Network Plus has garnered extensive

telecommunications experience over the past eight years of successful operations. Ms. Korner stated that Network Plus is a leading telecommunications carrier offering switched long distance, data and enhanced telecommunications services throughout the United States and internationally. Network Plus is providing interexchange services in 48 states and local services in several states. Network Plus operates an advanced telecommunications network that includes Nortel switches and maintains an Operations Center in Quincy, Massachusetts to monitor its network, which increases reliability, security, and efficiency. According to Ms. Korner, carrying traffic over its own network provides the Company greater control over its network operations allowing Network Plus to better serve the unique needs of its customers.

Ms. Korner offered that approval of Network Plus's application will further the public interest by expanding the availability and variety of high-quality local exchange services in South Carolina. Additionally, the presence of Network Plus in the South Carolina telecommunications market will increase the incentives for the incumbent local exchange carriers to reduce prices, operate more efficiently, offer more innovative services, and improve quality of service.

Ms. Korner testified that Network Plus will participate in the support of universally available telephone service at affordable rates to the extent required by the Commission and that Network Plus will provide service that meets the service standards of the Commission. In addition, Ms. Korner's testimony indicates the Company will operate in accordance with Commission rules, regulations, guidelines, and Commission Orders. The record also reveals that Network Plus requests waivers of regulations as

allowed by 26 S.C. Code Regs. 103-601(3) and 26 S.C. Code Regs. 103-803, including waivers of the following items: (1) the requirement found in Rule 103-631 to publish and distribute local exchange directories; (2) the requirement contained in Rule 103-610 that all records be kept within the State of South Carolina; (3) any requirement to maintain books and records in conformance with Uniform System of Accounts as Network Plus maintains its records using Generally Accepted Accounting Principals (“GAAP”); and (4) any reporting requirements that have been granted to other competitive telecommunications carriers.

After full consideration of the applicable law, the Company’s Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. The Commission finds Network Plus is organized as a corporation under the laws of the State of Massachusetts and is authorized to conduct business in the State of South Carolina by the Secretary of State.
2. The Commission finds Network Plus has the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. §58-9-280 (B)(1) (Supp. 1998).
3. The Commission finds Network Plus will provide services which will meet the service standards of the Commission. S.C. Code Ann. § 58-9-280(B) (Supp. 1998).

4. The Commission finds that the services proposed by Network Plus “will not adversely impact the availability of affordable local exchange service.” S.C. Code Ann. § 58-9-280(B)(3) (Supp. 1998).

5. The Commission finds that Network Plus will support universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280 (B)(4) (Supp. 1998).

6. The Commission finds that the provision of local exchange service by Network Plus “does not otherwise adversely impact the public interest.” S.C. Code Ann. § 58-9-280 (B)(5) (Supp. 1998).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that the Certificate of Public Convenience and Necessity granted to Network Plus by Order No. 93-1 (dated January 4, 1993), Docket No. 92-341-C should be amended to include authority to provide facilities-based and resold local exchange telecommunications services and facilities-based interexchange telecommunications services within the State of South Carolina. The provision of local exchange telecommunications services, both resold and facilities-based, shall be subject to the Stipulation between Network Plus and the SCTC, and the terms of the Stipulation between Network Plus and SCTC are approved and adopted as a portion of this Order. Any proposal to provide local services in rural service areas is subject to the terms of the Stipulation.

2. Network Plus shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters.

3. Network Plus shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, and tests and repairs. In addition, Network Plus shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

Network Plus shall file with the Commission the names, addresses, and telephone numbers of those representatives within thirty (30) days of receipt of this Order.

(Attachment A shall be utilized for the provision of this information to the Commission.)

Further, Network Plus shall promptly notify the Commission in writing if the representatives are replaced.

4. Network Plus shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. Network Plus is directed to comply with all Commission regulations unless a regulation is expressly waived by the Commission.

6. By its Application, Network Plus requested waivers from certain Commission regulations and requirements. Specifically, Network Plus requested waivers

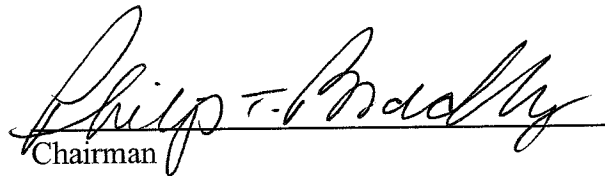
from (1) the requirement found in Rule 103-631 to publish and distribute local exchange directories; (2) the requirement contained in Rule 103-610 that all records be kept within the State of South Carolina; (3) any requirement to maintain its books and records in conformance with Uniform System of Accounts as Network Plus maintains its records using Generally Accepted Accounting Principals (“GAAP”); and (4) any reporting requirements that have been granted to other competitive telecommunications carriers. The Commission grants the request for waivers from the requirements to publish directories as Network Plus has indicated that it will contract with the local incumbent local exchange company to include the customers of Network Plus in the directory listing on the ILEC directory. Further, the Commission grants the request for a waiver from the requirement contained in Rule 103-610 that all records be kept within the State of South Carolina as Network Plus has indicated that its principal place of business is Quincy, Massachusetts. However, Network Plus must make its records available for inspection upon request by the Commission. As long as Network Plus maintains its books and records in compliance with GAAP, the Commission also grants the request for a waiver of the requirement that books and records be kept in compliance with the Uniform System of Accounts. With regard to the request that it be granted a waiver of any reporting requirements that have been granted to other competitive telecommunications carriers, the Commission cannot rule on a request so broad and indefinite, but the Commission expects and requires Network Plus to make and provide all reporting requirements that the Commission requires of all competitive local providers.

7. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a “Public Safety Communications Center,” which is more commonly known as a “911 system” or “911 service.” Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Network Plus to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association (“SC NENA”) with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Network Plus, shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the

city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

8. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

DOCKET NO. 1999-192-C - ORDER NO. 1999-577
AUGUST 17, 1999
ATTACHMENT A

**INFORMATION OF THE AUTHORIZED UTILITY
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission
the name, title, address, and telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by Signature

If you have any questions, contact the Consumer Services Department at 803-896-5230

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 1999-192-C

Re: Application of Network Plus, Inc. for a Certificate)
 of Public Convenience and Necessity to Provide)
 Facilities-Based and Resold Local Exchange and) **STIPULATION**
 Facilities-Based Interexchange Telecommunications)
 Services in the State of South Carolina)
_____)

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Network Plus, Inc. ("Network Plus") hereby enter into the following stipulations.

As a consequence of these stipulations and conditions, the necessity for SCTC's intervention in this matter is avoided and SCTC withdraws its opposition to Network Plus's Application. SCTC and Network Plus stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Network Plus, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Network Plus stipulates and agrees that any Certificate which may be granted will authorize Network Plus to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Network Plus stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Network Plus stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Network Plus provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Network Plus acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Network Plus stipulates and agrees that if, after Network Plus gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then Network Plus will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Network Plus acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions

contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

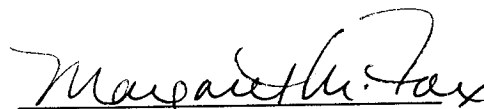
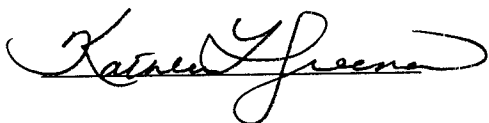
8. Network Plus agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Network Plus hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 15 day of June, 1999.

Network Plus, Inc.

South Carolina Telephone Coalition:



M. John Bowen, Jr.
Margaret M. Fox
McNair Law Firm, P.A.
Post Office Box 11390
(803) 799-9800

Attorneys for the South Carolina
Telephone Coalition

ATTACHMENT A
South Carolina Telephone Coalition Member Companies
for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Bluffton Telephone Company, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Hargray Telephone Company, Inc.
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
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OF
SOUTH CAROLINA

Docket No. 1999-192-C


Re: Application of Network Plus, Inc. for a Certificate)
of Public Convenience and Necessity to Provide)
Facilities-Based and Resold Local Exchange and)
Facilities-Based Interexchange Telecommunications)
Services in the State of South Carolina)
_____)

CERTIFICATE OF SERVICE

I, Mia DuRant Briggs, do hereby certify that this day I caused to have served the foregoing
Stipulation to the below named party of record, by having same delivered as indicated, this 29th day
of June, 1999, and addressed as follows:

U.S. MAIL - FIRST CLASS POSTAGE AFFIXED:

Kathleen L. Greenan, Esquire
Christopher R. Day, Esquire
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, N.W., Suite 300
Washington, DC 20007-5116



Mia DuRant Briggs

Columbia, South Carolina